

ISSUES

The Floodgates Continue to Open

By Matt McCall and Charlie Shrem April 9, 2021

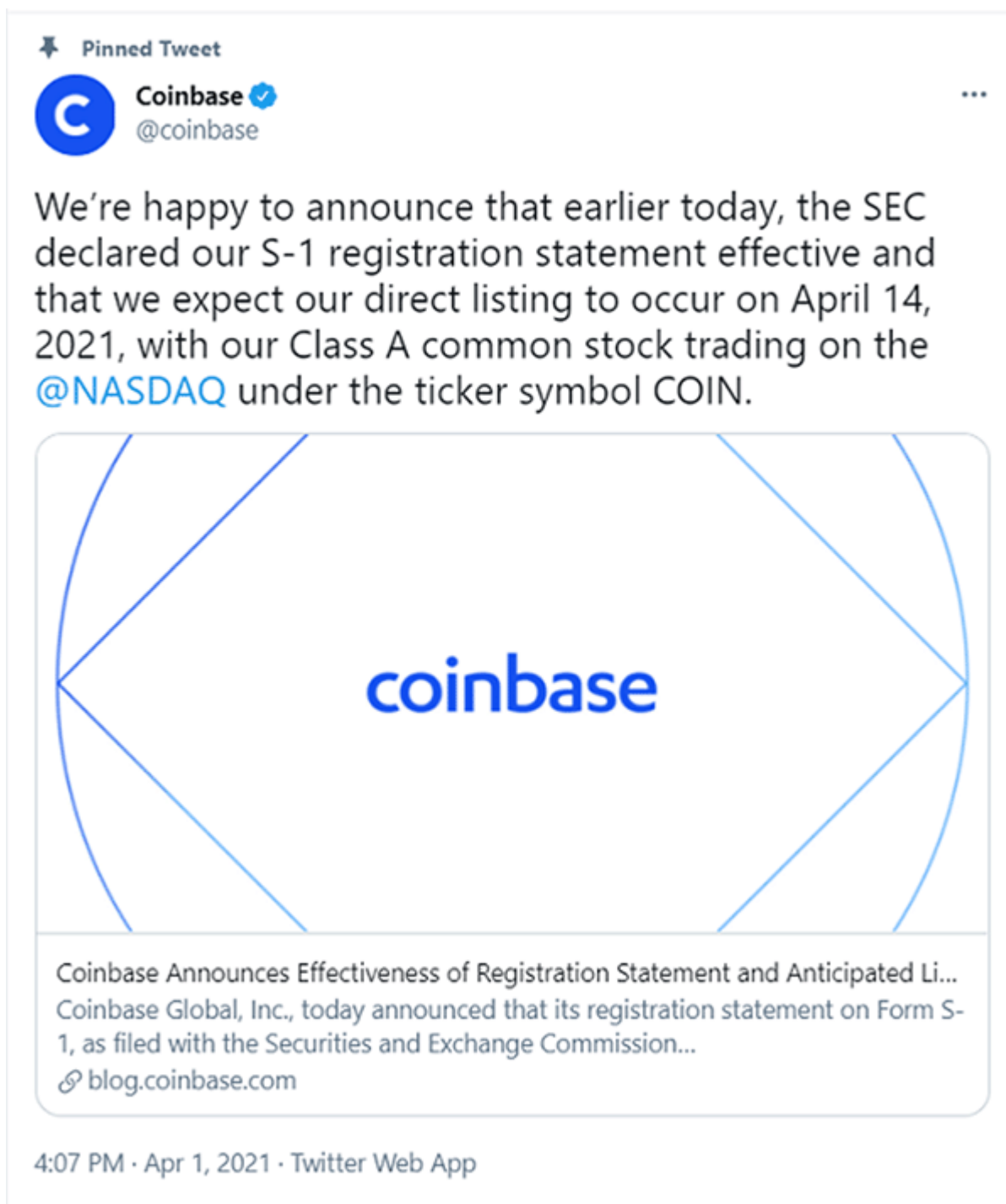
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Now that you are ahead of most people and investing in cryptocurrencies, you probably have heard of Coinbase.

It is the largest cryptocurrency exchange in the United States. It is often the simplest way to invest in altcoins using U.S. dollars. And, in fact, the new coin we're recommending to you this month is on Coinbase.

The list of coins is growing, and Coinbase itself is about to grow exponentially as it goes public next week. The stock will begin trading on Nasdaq next Wednesday, April 14, under the symbol COIN.

This is obviously big news for Coinbase itself, but it is big for altcoins overall as the great cryptocurrency awakening continues, adoption increases, and money flows in.



The numbers already tell an exciting story. Coinbase's first quarter was spectacular. Estimated profits came in between \$730 and \$800 million, and the exchange broke records for assets under management, revenue, verified users, and active users.

Revenue hit an estimated \$1.8 billion, while trading volume surged 276% just from the previous quarter, jumping from \$89 billion to \$335 billion. Coinbase reported about 56 million verified customers and 6.1 million monthly transacting customers.

Coinbase is already the biggest and best-known exchange, and its Nasdaq listing further legitimizes cryptocurrencies as an asset class. The result? Expect even more money coming into the sector.

The same would be true if – or maybe we should say when – crypto exchange-traded funds (ETFs) are allowed. This would open another yet another floodgate into bitcoin and altcoins. If a bitcoin ETF is approved, it would probably be just a matter of time before other cryptocurrency ETFs are also given the green light.

The most recent effort to launch a bitcoin ETF came from a heavy hitter. Fidelity Investments filed the paperwork two weeks ago with the Securities and Exchange Commission (SEC). As you probably know, Fidelity is of the largest asset managers in the world with \$3.5 trillion under management.

In addition, Fidelity is among those forming the new Crypto Council for Innovation, along with Coinbase, Square, and investment firm Paradigm. The council's goal is to make sure that U.S. policymakers grasp the importance of cryptocurrencies.

We think that is about to happen, and progress could be made as soon as next week when the U.S. Senate is expected to confirm Gary Gensler as the next SEC chairman. Gensler taught a course on blockchain at MIT, so he understands the technology and its applications better than most – almost certainly better than his predecessors.

While we wait for a landmark ETF, the crypto industry continues to hit more growth milestones. The DeFi (decentralized finance) ecosystem just hit an incredible \$100 billion in total value locked (TVL) for the first time ever, according to DeFiLlama.



DeFi remains one of the hottest trends in cryptos as the technology is embraced and investors look to DeFi coins as a way to increase yield. **Electroneum (ETN)**, **Polkadot (DOT)**, **Stellar Lumens (XLM)**, and **Uniswap (UNI)** all benefit, which is one reason our *Crypto Investor Network* portfolio has gained 422% in a little over six months.

Even so, it's incredible how much upside potential remains. With \$100 billion in TVL, DeFi would rank only about 40th among bank holding companies in terms of total assets. JP Morgan tops the list with \$3.2 trillion in total assets by itself, so you can clearly see a wide-open runway for growth.

The Ethereum blockchain is responsible for the majority of the \$100 billion in TVL. The top 20 protocols account for about \$82 billion, with 14 of those on Ethereum posting a combined TVL of \$66.42 billion. **Uniswap** ranks fourth at \$7.6 billion.

The awakening continues, and the outlook for altcoins remains bullish. We think this remains one of the great investment opportunities on the planet. With that in mind, let's turn to a brand-new recommendation in a unique coin with big potential.

GRT: The Google of the Blockchain

The Graph (GRT) is a new and rapidly growing cryptocurrency that launched on December 17 of last year. In just the last four months, it has soared from \$0.12 to nearly \$1.80, an astonishing gain of just about 1,300%.

And that includes a pullback off all-time highs over \$2.60 in February, which is one reason we want to grab it now.

Some of GRT's big gains can be explained by general momentum in the crypto markets the last four months. At the same time, bitcoin gained "only" 156% during the same period, so GRT has vastly outperformed it and most of the crypto market.

The other reason GRT has soared – which we like even better – is that it is truly a unique cryptocurrency. Indeed, in a market full of copycats and knockoff cryptos, GRT stands out in part because of its extraordinary utility.

GRT is commonly referred to as the “Google of the blockchain” because of its powerful indexing technology. To search a blockchain, you typically need to search all the blocks that were ever created, an incredibly time consuming and resource intensive process.

With GRT, an entire blockchain can be indexed much more efficiently and securely via its GraphQL. This enhances the efficiency and capabilities of decentralized applications (dApps).

Further, with the GRT platform developers can publish open application programming interfaces (APIs) called “subgraphs.” APIs are basically ways to synch and retrieve data. Have you ever bought tickets to an event and been given the option to create a calendar entry? That’s an API in which the ticket site is connecting you to a calendar server, like Google for instance.

In GRT’s case, these subgraphs/APIs can be used to index and manipulate blockchain data. Developers can build blockchain-secured APIs that rapidly index and interact with all the data stored on a particular blockchain, again dramatically increasing the capabilities of dApps.

GRT also decentralizes the indexing and API processes, which boosts the security of the applications by eliminating the need for centralized APIs and databases.

The bottom line is that GRT makes dApps more powerful and more secure. That is why it is quickly becoming so popular... and why its market value is skyrocketing.

News flow is also very positive. Just this week, the decentralized smart contracts platform Avalanche integrated with GRT to expand indexing and querying capabilities. And looking back over the past few months, GRT technology has been integrated by numerous popular dApps and businesses including but not limited to Uniswap, Compound, USDC, Synthetix, MakerDAO, Bancor, CoinGecko, Aave, Decentraland, and Balancer.



Buy GRT up to \$1.90. We like its long-term potential, and we like the current entry point. It has come off its February highs and looks to have formed a base the last several weeks, making it a good buy before its next run higher.

As we mentioned earlier, GRT can be purchased on Coinbase, but it is supported on other platforms as well. This “Google of the blockchain” has a bright future as it is quickly adopted by businesses and platforms across the crypto space, making it one of the best-positioned cryptos going forward.

Updates on our Recommended Coins

Electroneum (ETN) has enjoyed a powerful and sustained rally over the last month. It swung as much as 263% – from a low of \$0.011 in early March to as high as \$0.04 a couple weeks ago. The climb has slowed a bit since, but based on market trends we are confident the strength will continue.

There hasn’t been a lot of news in the Electroneum space recently, but this remains a very unique coin thanks to its platform that offers blockchain-based banking services to the unbanked people of the world – particularly in Africa. Electroneum is becoming a very popular way to transfer money, and we don’t expect that to change anytime soon.

Hold ETN as it trades above our current buy limit.

Polkadot (DOT) cooled off a bit in March after its impressive strength earlier in the year, although it still managed to put together a solid 16.5% climb over the last month and is now more than 40% above its March 24 lows. This is likely thanks to a flurry of related headlines. Here are just a few of the highlights...

- Blockchain firm Enjin said that it raised \$19 million to develop a Polkadot-based blockchain network for non-fungible tokens (NFTs). This is a red-hot area within the crypto market right now, so it has the potential to bring a lot of activity to the Polkadot ecosystem.
- Coinbase Ventures has invested a significant amount of money to bring a full array of decentralized finance (DeFi) services to Polkadot's ecosystem.
- A DeFi platform called FireProtocol just migrated from Huobi's Heco blockchain to Polkadot's blockchain. This shows Polkadot's attractiveness – particularly to reputable projects.

Those are just a couple of the news developments over the last month. Polkadot's fundamentals are strong, and as a result the coin remains well positioned to rally. We may already be sitting on nearly 10X profits here, but there looks to be plenty more upside to capture. **Continue to hold DOT.**

Stellar Lumens (XLM) was flat through most of March before some rollercoaster volatility took control. The coin fell as low as \$0.35 on March 25 before rallying 57% over the following two weeks to reach a recent high of \$0.55. While there haven't been any headlines to attribute the strength, analysts throughout the crypto industry are continuously posting predictions that Stellar is about to break out.

With the market so bullish right now, Stellar has serious upside potential as it remains one of the top blockchains with near-zero transaction fees. Bitcoin and Ethereum, on the other hand, have had to increase their fees to very high levels. This is causing a migration of projects and users to Stellar's ecosystem, and we can reap the benefits. **Buy XLM anytime you can grab it below \$0.50.**

Uniswap (UNI) is trading similarly to Polkadot – after a sustained rally in January and February, it has cooled a bit and come off its all-time highs.

Leading to the slowed performance was the news that an anonymous developer figured out how to manipulate Uniswap's protocol in order to generate fake trading volume. This developer (or hacker, really) generated \$11 billion in "volume," which would have been a new record if it were real.

Uniswap remains the number one decentralized exchange (DEX) in the industry, but this news weighed on its market. Plus, rivals like SushiSwap and PancakeSwap are succeeding in taking away some of its user base and trading volume.

But in far better news, the launch of Uniswap Version 3 was announced. It will introduce new technology – including "concentrated liquidity," which will give users much greater control over their capital as well as advanced oracles and multiple fee tiers.

In the end, Uniswap is still the king of the DEX world. And with the launch of Version 3, it appears the coin is poised to keep climbing as long as the crypto market stays hot.

Hold UNI for long-term gains.

Headed to the Future

Investing in cryptocurrencies is investing in the future.

Blockchain technology and altcoins it will impact more of our lives than we can imagine right now.

With a single click of your finger, you will be able to take out a loan or mortgage, buy a new insurance policy, make money loaning out your money, invest in stocks or bonds or any other asset class, deposit your cash into a safe savings account, vote, pay for a pizza, and on and on.

It will also impact how we invest.

The news that Coinbase will go public on Nasdaq next week had us thinking about how blockchain will change exchanges, too. In fact, Nasdaq is one of the more advanced stock exchanges when it comes to incorporating blockchain.

One big change will take place behind the scenes, but that doesn't diminish its importance. We're talking about eliminating the middleman, which will make transactions faster, cheaper, and more secure.

Remember the whole GameStop fiasco when Robinhood and other brokerages basically stopped investors from selling the stock? That was in part because of the middleman, or the exchanges that brokerages work with on trades. It typically takes two days for trades to fully clear, with shares then distributed to the buyer and money to the seller. In the industry, this is referred to as "T+2"... meaning the trade date plus two additional days for clearance and settlement.

With blockchain, it can be done immediately. If you buy a coin on Coinbase right now, it clears almost instantaneously. Say you want to sell a coin and take your profits to buy another coin. Provided they are both on Coinbase, you can sell one and reinvest that money in the other... all in mere moments.

No middleman. No waiting for a clearinghouse for your cash to become available to you.

This is the future of transactions, whether you're buying a coin, a stock, a house... or paying \$69 million for a digital art token from Beeple!

It is all part of the awakening – the next phase of blockchain and its impact our world and our wealth. The situation with DeFi and altcoins right now reminds us of what it was like to invest in Apple back in 1980, or Netflix in 2002, or Uber in 2010. We have no doubt many millionaires will be created from this exciting asset class as it takes off.

We are off to a great start as we begin our second six months together here in *Crypto Investor Network*. We have some big numbers in the portfolio, and whether you have been with us the whole time or recently joined us, there is still a lot of money to be made.

Sincerely,



Matt McCall



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